

Volunteer Firefighter Workman's Compensation Proposal

Interim ELG Committee - September 25, 2015

Before explaining the Volunteer Firefighter Workman's Compensation proposal, it is necessary to make some assumptions. Although these assumptions do not have any hard data to back them up, they have been extrapolated from existing data and from some fire service evidence. These assumptions are:

- We assume there are approximately 7500 volunteer firefighters in Montana.
- We think that approximately 2/3 are currently covered by WC leaving 2500 volunteer firefighters uncovered by Workman's Compensation.
- We think that most of the uncovered volunteer firefighters are NOT in incorporated towns and cities Meaning they would most likely need coverage from State Fund or MACO. We also think that most of these volunteer firefighters are in fire departments with annual revenues of less than \$20,000 (the poorest of the volunteer fire departments).
- It currently costs approximately \$150.00 per year to cover volunteer firefighters under State Fund or MACO.
- We estimate that approximately 1500 volunteer firefighters are currently covered by work comp in volunteer fire departments that have annual revenues of \$20,000 to \$40,000.

The Volunteer Firefighter Workman's Compensation proposal contains 3 crucial parts. Those parts are as follows:

- 1. The current exemption for volunteer firefighters, under Work Comp, would be removed. This would have the effect of requiring coverage for all volunteer firefighters.**
- 2. 12% of the funds generated by 50-3-109 (Tax on fire insurance premiums) would be used to provide cost share funding, to volunteer fire departments, for the purchase of workman's compensation insurance. In 2013, 50-3-109 generated approximately 4.5 million dollars. This would mean there would be approximately \$540,000 to use for cost share funding annually.**
- 3. A "means" test would be applied to volunteer fire departments. Those departments who receive less than \$20,000 per year in operating funds would qualify for 95% cost share assistance. Those departments receiving more than \$20,000 but less than \$40,000 would qualify for 50% cost share assistance. Volunteer fire departments receiving more than \$40,000 in annual operating funds would not be eligible for cost share assistance. It is suggested that MPERA would be the agency to accept requests for cost share assistance and determine eligibility.**